

LOCAL HIGHWAY TECHNICAL ASSISTANCE COUNCIL

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Today, I would like to paint a picture of Idaho's Local Highway Jurisdictions and the local highway systems as a dynamic, productive and exciting bunch of organizations. What I am going to talk about are the organization of Idaho's local highway jurisdictions and their highway systems, to give you an understanding of what they are dealing with, and their revenues and expenditures. My figures basically focus on highways and not other responsibilities that these jurisdictions may also have.

Local Highway Jurisdictions (LHJ's)	Full-Time Employees (approx)	Part-Time Employees (approx)
City (191 of 201)	750	250
County (33 of 44)	470	65
Highway District (64)	600	115
LHJ Total (288)	1,820	430

Statewide there are 288 local highway jurisdictions consisting of 191 of the 201 Idaho cities, 33 of the 44 counties, and 64 highway districts. So what does that mean? The local highway responsibility is spread around and organized differently throughout the state depending on many factors. Here in Ada County for example, all local roads are under one jurisdiction – the Ada County Highway District. None of the cities in Ada County have highway responsibilities.

Full time employees equal 1,820; part-time employees equal 430; and of the full-time employees in the city organizations, there is usually one elected official who is assigned highway responsibility. The counties and highway districts have elected officials as well. These folks bring a wealth of talent and experience to the management and administration of the local jurisdictions.

Local Highway Jurisdictions (288)	1995	2003
Computers	115	250
Road Management Systems	80	200
Transportation Plans	110	220
Multi-jurisdictional Transportation Planning Groups	0	38 counties

The local jurisdictions are faced with a generational turn-over (retiring employees) and out-migration from the rural to urban areas of potential retiring employees and with these personnel changeovers have upgraded equipment and job skills to meet expectations of a modern organization. Computers are now an integral part of the job. Road management systems and transportation plans are recognized as necessary tools.

In addition, multi-jurisdictional transportation planning groups now encompass 38 counties. The group members include: Local Highway Jurisdictions, Elected Officials, ITD, Tribes, Federal and State Land Agencies, Transit, Air, and Rail Agencies, Chambers of Commerce, School

Districts, and other private interests. The planning groups were a direct result of recommendations from the 1997 Idaho Transportation Planning Task Force, and have caused a big change in the coordination of local jurisdiction's management and overall responsibilities.

Local Highway Jurisdiction Total	1990	2003	1990 to 2003 Change
Total Mileage	29,228	33,250	4,022
<i>Federal-aid Eligible Mileage</i>	4,011	5,366	1,355

So now let's look at the local highway system. The local highway system has grown in the last 13 years by 4,022 miles. This is mostly in the denser population areas both inside and outside of the cities. The 33,250 miles is a big job to maintain. Additionally, the system's usage has demanded changes in the function of many miles of roads. You all know of roads that once were two-lane rural roads that now are four-lane high-demand systems. Certain functional classifications are eligible for federal-aid funding. **Note the large increase in the number of miles of federal-aid mileage.**

The local highway system accounts for about 45% of all vehicle miles traveled in the state. Many graveled roads have been converted to paved roads. Our systems have changed over the years, but the expectations by our citizens have also risen.

The following numbers do not reflect road conditions. Many of the local road surfaces, structures, and railroad crossings are deficient for today's usage. Local jurisdictions struggle every day to keep their systems functioning.

Local Highway Jurisdictions 2003	Mileage
City	5,608
County	15,124
Highway District	12,518
LHJ Total	33,250

Bridges 2003	Number
City	214
County	1,183
Highway District	886
LHJ Total	2,283

Railroad Crossing 2003	Number
City	429
County	460
Highway District	386
LHJ Total	1,275

Every year, the 288 local highway jurisdictions share about \$246 million – 1/2 user fees and 1/2 nonuser fees. User fees are from the Highway Distribution Account, Local Rural Highway Investment Program, and Rural and Urban Federal-aid. Nonuser fees come from Ad-Valorem Tax, Impact Fees, Forest Reserve Inventory, Replacement Tax, Tax Bonds and LIDs.

We have a unique situation in Idaho, because over half of our counties are public lands counties, which contain over 50% public lands. Their funding sources are limited and public land roadways are managed and funded very differently.

Another point is that the local jurisdictions appear to maintain a large carry over balance; however most of that amount is encumbered. The rest is kept to address heavy snow years or other natural emergencies. The carry over allows them to be prepared for problems that may arise. (*Carry over breakout: 47%-Obligated for projects; 30%-Retained for Operation; 23%-Retained for Miscellaneous Expenses and Cost Increases-most frequently health care and materials.*)

Total Funds	1995	2002
Fund Balance Beginning Of Year (carry-over)	\$70,402,529	\$108,320,858
<i>Fund balance beginning of year % of total funds</i>	<i>27.4%</i>	<i>30.5%</i>
Total Current Revenues	\$186,812,546	\$246,226,465
<i>Current Revenues % of total funds</i>	<i>72.6%</i>	<i>69.5%</i>
Total	\$257,215,075	\$354,547,324

Cost Responsibility	1995	2002
User		
Highway Distribution Account, Local Rural Highway Investment Program, Rural and Urban Federal-aid	\$79,508,400	\$114,335,751
<i>User % of current revenues</i>	<i>42.6%</i>	<i>46.4%</i>
Nonuser		
Ad valorem tax, Impact fees, Forest Reserve Inventory Replacement Tax & Tax Bonds & LID's	\$107,304,146	\$131,890,715
<i>Nonuser % of current revenues</i>	<i>57.4%</i>	<i>53.6%</i>

In most cost responsibility models, the usual idea is that if you use a road or benefit from that road, you pay for it. Historically, property tax was the method of collection for infrastructure development and maintenance (1913 - first motor vehicle fee-registration; 1923 - first fuel tax). The most recent study of cost responsibility, in 1995, indicated that the local highway system tax revenue should be about 70% fuel tax (user) and 30% property tax (nonuser). Today, we are close to a 50/50 situation, with only a portion of the nonuser funds coming from property tax.

The federal forest reserve funds are a major funding source for some counties; those revenues or payments are a set amount (as a result of the Craig/Wyden bill due for reauthorization in 2006). Impact fees have not been widely adopted because practically speaking it requires sustained economic growth and can only be used for capital improvements. Ada County Highway district is the only Local Highway Jurisdiction using an impact fee. In some rural areas funding is

dropping and many jurisdictions are being forced to change from improvement construction to system maintenance. Bonding is primarily being done by cities. By law, property tax has a 3% cap, so funding is limited and as noted earlier state fuel tax revenue is flat or decreasing slightly. Another point is that the funds from the Highway Distribution Account are redistributed because of population shifts. One example is Pocatello, which lost over \$400,000 in 4 years because of population shifts. These budget restrictions, changes, and impacts are truly challenging Local Highway Jurisdictions each year.

See the table below. In the last 7 years, our expenditures have trimmed administrative expenses, but more importantly, maintenance expenditures have gone from 30% to 46.8%, while construction and rehabilitation has only raised 1.3%.

Expenditures	1995	2002
Administration	\$25,145,218	\$23,407,993
<i>Administration % of current revenues</i>	<i>13.5%</i>	<i>9.5%</i>
Maintenance	\$56,958,069	\$115,252,235
<i>Maintenance % of current revenues</i>	<i>30.5%</i>	<i>46.8%</i>
Construction & Rehabilitation	\$77,675,257	\$105,663,450
<i>Construction % of current revenues</i>	<i>41.6%</i>	<i>42.9%</i>
All Expenditures	\$178,378,921	\$244,323,679
<i>Disbursements % of current revenues</i>	<i>95.5%</i>	<i>99.2%</i>

Not shown in the table above is the federal-aid revenues expended on the local federal-aid system. We have received an additional \$25.9 million in federal-aid that was used for construction.

Federal-aid (approximate)	2002
Rural	\$ 8,816,000
Urban	\$10,162,000
Bridge	\$ 3,960,000
Bridge –off federal-aid system	\$ 2,974,000
Total	\$25,912,000

The Local Jurisdictions face numerous changes and work diligently to supply a transportation system to meet Idaho's needs. Hopefully, this quick review gives you an idea of what the locals are facing. Thanks for your time.